App F IX 4

ML

1936

File No 105-36

Previous References
Rev 192-33681-5
ML 182-00 81-6
" 10-3-85 65
" 23-34 85937
Letter References

Serial Nos 1+

ML 105-36-142

105-36-1345
ML 56-37-458,25
" 186-37,5-10

GENERAL AND REVENUE SECRETARIAT

ML 42-35 (1,2,3,4)
Rev 15-9-39 1 2 3 4 5 6 7, 9
ML 94-42-1,2,3,5,9,10,33 to 39
CH 9-53-15
CH 44-579+2 5,8,9,10
Serial Nos
& LLH & CRB 57

Part B for December 1936

SUBJECT

Raising of debenture loan of Rs20 lakhs by the Municipal Council, Bangalore

WD 0418—GPB—22 500—23 8 36

To the Secretary to the Government
" Comptroller
" Director of Health
" Chief Engineer
" Dy. Secretary
No 44400-4 of 15 12 36
Reminder

Secretary

A loan of Rs 20 lakhs by the Bangalore city Municipality

General and Revenue Secretariat | Mc File No 105 of 1936 (1) | [App F III—2"

Serial No	
1	Letter No A1-27-360/36-37 dated 12-8-36 from the Municipal Commissioner, Bangalore city forwarding the resolution of the Municipal Council for raising a debenture loan of Rs 20 lakhs at not more than 3½ per cent repayable in 30 years with a view to pay off the old loans and carry out necessary improvement works / The Municipal Council propose to raise a loan of Rs 20 lakhs in open money market at 3½ per cent interest per annum by the issue of debentures, the repayment of the loan being guaranteed by Govt The loan if subscribed is proposed to be utilised for repaying the loans taken by the Municipality from Govt and by spending the balance on various improvement works as detailed in the P U D 2 Out of the loan of Rs 10 lakhs sanctioned to the Municipality, a sum of Rs 7½ lakhs has so far been drawn and a sum of Rs 80,000 has been repaid up to the end of June 1936 Towards the balance of the loan to be repaid by the Municipality viz Rs 6,70,000 it is proposed to adjust a sum of Rs 2,33,000 being the Govt grant of half the cost of the drainage works executed so far / claimed by the Municipality

NOTE—Contn Sheet

WD 01 36—GPB—7 500—5 4-34

Raising a loan of Rs 20 lakhs by the Bangalore city Municipality

(V)
MR File No 105 782/2 of 1936 | General and Revenue Secretariat

on the authority of G O No 1297-347 dated 13-8-1915 How the Municipality can claim the now grant for the authority of a G O dated so far back as 1915 is a matter for separate consideration The balance of Rs 4,37,000 is proposed to be repaid immediately out of the loan of Rs 20 lakhs

3 As regards the arrangements to be made for the repayment of the loan, the Commissioner states that if the loan is to be made repayable in 20 years 30 years as resolved by the Mc cl) the Municipality will have to provide for the payment of an annuity of Rs 1,40,720 or Rs 1,41,000 Towards the amount, the following are to be earmarked —

(a) Rs 81,000 which the Municipality would have to pay towards the repayment of the Govt loan of Rs 10 lakhs, if the present loan had not been raised

(b) Rs 50,000 which the Municipal Council expect to realise by the levy of profession tax

(c) Rs 5,000 from the normal revenues of the Municipality

4 The Financial Secretary may be consulted

MY

For GPR 17/8

The para 3 of the Govt Memo has based his Conclusion on the presumption that Govt would bear half the Cost of Drainage works on the Strength of the G O Rs 13 & 15 This cannot be accepted as correct for Govt

(Illegible)

Raising a Debenture Loan of Rs lacs by the Bombay Mg

Serial No

to Mess orders Bs 26 / 35 (Mg Q re Bdt—— No 23-34 Sls 9d 37 (not app) have clearly stated that the proportion of cash to be met by Govt at the time when this Contribn shd be paid to the Bdt shd be left to Govt to be settled later on when the Condns impose As such the whole amount due to Govt Mg Rs 6,70000/- together with interest till the date of repayment shd be the first charge on the loan to be raised by the Bdt

6 The proposals for the utilisation of the balance (vide para 4 of the Note) will have to be suitably altered by the Bdt If this is done the proposal to raise a loan of 20 lakhs may be sanctd with the Concurrence of the other Condns & proposed seem suitable

20/8/36

Kept for discussion with the Presidt & Mr Cummins. MS 25/8

Ch & Secy 20 Aug 1936

7 The loan proposals submitted for consideration are complicated with the question of a Govt Contribution towards the Expdr already incurred for the drainage Schemes worked out in the city. The Bdt Council claim a set off of about Rs 2,32000 from the loan to be discharged by the Govt The first point for consideration is, (1) whether or not the claim of the Bdty that a moiety of the cost incurred for works already executed should be met by Govt, is to be conceded. (2) If not, Should the question of a Govt Contribution

NOTE—Contn Sheet

Raising a debenture loan of 20 lakhs of rupees by Municipality

File No (2) 105 of 1936-37 — General and Revenue Secretariat

towards the drainage Scheme of the City as a whole should be considered now

The Mul Council rely on the Govt orders of 13 8 1915 for basing their claim for a moiety of the Cost of the works already carried out. This order is more than 20 years old and has not acted upon till recently. In para 8 of the order, it is seen, that it was expected that the Scheme would be carried through within five years following the date of the order. The financial conditions have undergone severe stress and strain since then. This was implicated in the Govt order of 26 1 1935 withdrawn from which it is to be inferred that both the questions of proportion and the time when it should be paid were kept open. It is therefore for orders whether these questions may first be settled before the loan Scheme itself is considered. If in respect of the works already completed, 50% basis is accepted, the proposal of the Mul Council to set off the amount claimed by them as contribution could be favourably considered if the Govt are in a position to make an annual grant to the city for drainage works for 20 years equal in amount to the equated instalments of a loan to that extent. This course would commit the Govt for a fixed contribution for the next 20 years. Further, the Mul Council have not dealt with the question of the contribution that would be payable after they carry out the drainage programme for 7½ lakhs of rupees which they have included in the loan Scheme.

As a consideration of these questions might usefully

[illegible] of Rs 20 lakhs by the Bangalore city Municipality

784/2 (5)

Serial No

delay the disposal of the loan scheme, it is submitted that the Board may be asked to discharge the full amount due to Govt and carry their programme of works with the balance kept out of 20 lakhs. The question of an annual grant for the drainage scheme may also be favourably considered and a sum of Rs 50000, which is provided every year for the next 5 years, at least.

2nd member
Asst Secy

MS 2936 8 3/9/36

FINANCE SECRETARIAT
O No FI 620
3 SEP 1936
BANGALORE

10 - The main points for consideration in this case are -

(1) Amount of Government grant for Drainage work

(2) Raising of a public loan by the Municipality

11 - As regards (1) the notes in this file clearly indicate that Government have not committed themselves to sanction any specified amount as Grant and the proposal of the Municipality to set off Rs 2,35,000 out of the loan due to Government towards Government grant is therefore not admissible. It is also not possible or desirable to fix the grant to be paid for a number of years in future. The question has to be considered at the budget time each year and the amount of grant fixed with due reference to the financial position of the State.

12 With regard to (2) the following points have to be considered -

NOTE—Contn Sheet

(1) Whether the financial condition of the

Municipality justifies the raising of such a large loan and whether the Municipality is really in a position to discharge the loan with interest after meeting the existing commitments

(ii) Whether the purpose for which the loan is proposed to be raised is proper

13 The financial position of the Municipality is not satisfactory and it has not been able to meet its existing commitments on account of water supply charges The Municipality counts upon the imposition of new taxes for being able to provide or sinking fund and interest charges It has not been stated whether the revenue now realised is sufficient to meet the existing commitments The Comptroller may be asked to note on the financial condition of the Municipality and the proposal of ~~the proposal of~~ the Municipality to raise further loans

14 As regards the purpose for which the loan is proposed to be raised it is stated that the loan taken from the Government will be discharged in full and the balance will be utilised on improvement of water supply tarring roads laying out of extensions etc Kind reference is invited to the notes and discussions in Municipal file 200-32-B regarding the loan of Rs 9 lakhs sanctioned to the Municipality for improvements in the City in the year 1933 The original proposal of the Municipality was to raise a loan in the open market at 5% (free of income tax) or 5½% (subject to recovery of income tax) After such

(4)

discussion it was decided that Government should sanction the loan at 5% as a special case (though the minimum rate of interest chargeable on loans to Local Bodies was 5½%). If the Municipality had borrowed in the open market, it could not think of repaying it till the date of maturity of the loan. The loan amount was financed by Government from borrowed funds on which ~~or which~~ interest at an average rate of about 5% was being paid. Even now the average rate of interest paid by us on our borrowings works up to about 5%. We cannot repay any of our loans till the due date -- 1938 in the case of the 5½% loan 1940 and 1941 in the case of the 6¼% and 6½% loans. If we take back our money now, we will earn less interest while we have to pay more.

15. It is therefore not desirable to permit the Municipality to raise a loan in the market to discharge the existing loan to Government. Till our 5½%, 6¼% and 6½% loans are discharged, i.e. till 1941 our interest charges will be heavy and permission to repay large loans advanced previously by Government will result in loss and this is not financially acceptable. If such permission is to be given at all, the Municipality will have to pay us in addition to the principal the sum of 2% per annum till 1941 being the difference between the rate of interest we are paying on the amount borrowed by us -- and 3% -- interest which is all

NOTE—Contn Sheet

raising a loan of Rs 20 lakhs by the Bangalore city Municipality

(6)

782
L

MR File No 105 of 1936

General and Revenue Secretariat

H620

that we can get from now till we can discharge our 1911 loan.

16 In this connection reference is invited to the enclosed extract from the Hindu dated 6-9-1936 referring to the refusal of the Madras Government to permit the Tinnevelly District Board to repay the loan previously advanced by Government by borrowing now The reasons underlying the decision in this case apply in the present case also

17 As regards financing other works it is to be stated that out of the loan of Rs 9 lakhs sanctioned by Government in June 1933 the loan amount so far drawn works up to only 7½ lakhs The capacity of the Municipality to spend further 13 lakhs immediately is therefore doubtful It is also not desirable to start too many schemes simultaneously The period of repayment of the loan suggested viz 20 years is too long as some of the works like tarring of roads will not have such a long life If the period is reduced the amount payable to the Sinking Fund will be more and beyond the capacity of the Municipality

18 The new schemes should be taken up in the order of urgency with due reference to the financial position of the Municipality limiting borrowings to the barest minimum

19 On the whole I think that the present proposal of the Municipality to raise a loan of Rs 20 lakhs and to repay therefrom the amount now borrowed from Government is not finahcially acceptable

OFFICE OF TH SECOND MEMBER OF COUNCIL
14 SEPT 1936
NO 48-37

14/9/36

Raising a loan of Rs 20 lakhs by the Bangalore city Municipal

(9)

General & Revenue Secretariat | ME File No 105 of 1936 | [App F III–2

Serial No

1) I should like to see the file relating to the question of raising a loan for constructing school buildings in Bangalore city

MM 18/9/36

MS 21/9

21/9/36

ECONOMIC & GENERAL DEPARTMENT
23 SEP 1936
No. 2447-

flag Z

2) The connected file Edn 192-36 (1-5) is put up as directed

Rmr 23/9/36

23/9/36

2) Ch Secy

3) 2nd member

MS 23/9

23/9/36

4) The Dir of Health may be asked to submit a list of the city drainage works (with estimated cost) arranged in the order of urgency

MM 28/9/36

MS 28/9

30/9/36

5) Draft submitted for approval

Rmr 30/9

6) Secretary

2/10/36

Issued No 2 2522 dt 2-10-36

TYPING SECTION
2 OCT 1936
GEN & REV DEPT

Sen PA 2/X/36

NOTE—Contn Sheet

Raising a loan of Rs 20 lakhs by the Bangalore City Municipality

(10)

782/L

Re File No 105 of 1936

General and Revenue Secretariat

Letter No e 24 dated 25-10-36 from the Director of Health forwarding a statement of underground drainage works in Bangalore City arranged in the order of urgency together with plan and report

27 To the Chief Secy with compliments
This may be kindly worked up in connection with the question of the loan to be raised by the Municipal Council

Initd N M
26/x/36

The total cost of the works noted in the statement comes to Rs 21½ lakhs A sum of Rs 7½ lakhs has been set apart for first drainage works from the proposed loan of Rs 20 lakhs

Submitted for orders with reference to paras 24 & 27 supra

RMW
27/10/36

30 In regard to the drainage Scheme Kind Eyre is invited to the Chief Secy's note at para 8 supra and the Secy's note at para 11 In the loan proposals sent up by the Municipal Council — Vide his letter dt 12/8/36 marked Pmd — a sum of Rs 7½ lakhs only is provided for "extending underground drainage & providing a sewage disposal plant" The total cost of underground drainage works yet to be done in Bangalore amounts to Rs 21½ lakhs as per details given

Raising a loan of Rs 20 lakhs by the Bangalore city Municipality-

Serial No

furnished by the Dir of the View of the Jt Secy to accepted even the whole amount left over after paying Govt dues will not be enough to meet the Arch. of. and the Underground drainage and there will be nothing available for other improvement works ~~xxxxxxxxx~~ If the question as to what proportion of the cost shd be found by Govt and when it shd be paid ~~xxx~~ shd now be settled, as raised by the Chy at para 11, it would perhaps be easy to fix up the items on which the loan amount may be spent by the Mcl'

In para 13 the Jt Secy has suggested the Comptroller being ~~xxxxxxxxx~~ asked to note on the ye contra of the Mcl and the proposal of the Mcl to raise further loans'

29/10/36

(B Chr. Secy)

31 The Director of Public Health has furnished a statement of drainage works for the city The total estimate comes to Rs 21½ lakhs The works are arranged in the order of their urgency. In the loan proposals Subd by the Commr vide his letter dated 12 8 36, a sum of Rs 7½ lakhs

NOTE—Contn Sheet

WD 03 94—GPB—30 000—18 7 35

Raising of a loan of 25 lakhs by the Municipality

File No. 750/105-782/2 of 1936-37 General and Revenue Secretariat

has been earmarked for drainage schemes. This was done on the assumption that the Municipality would be permitted to set off a sum of Rs 2.33 lakhs as contribution due from Govt towards drainage works already carried out. The question is still open and which have to be dealt with separately or to accompany the loan scheme may be sanctioned and repayment of the loan drawn from Govt. contributed.

There will be available to the Municipality a net sum of Rs 12½ lakhs for works. The programme drawn up should be adjusted with reference to this sum by a suitable and proportionate reduction allotted under the schemes referred to in para 4 of the enclosure letter dated 12.8.36 (Pl. 3)

DEWAN'S OFFICE
5 NOV 1936
No 1243

The drainage schemes in the order of urgency may be carried out of the loan funds. This claim should be the first in the list of schemes

2nd member } Dewan }

32 Degree

33 If the Dewan approves, this may be considered at a meeting of the Council

SECRETARIAT
No 3194

6/11
7/11/36

8/11/36

34. 9-11-36

10/11
11/11/36

(13)

For Disposal at a meeting

No C 86 of

1936 1937

GENERAL AND REVENUE SECRETARIAT

Council Matter

Subject

(clause _____ of the schedule)

Question of permitting the Bangalore City Municipality to raise a loan of Rs 20 lakhs on certain conditions

35 *Circulated to the Members of Council*

By Order

12th November 1936 Offg *Chief Secretary to Government*

91/1/36 **First Member of Council** 12/11

Second Member of Council (Seen)

C S 37

769 (12) C 86

Extract from the Proceedings of the 954th *Meeting of the Council of His Highness the Maharaja held at Bangalore on the* 19th November 1936. *19*

38/ **9. Subject. -**

Question of permitting the Bangalore City Municipality to raise a loan of Rs.20 lakhs on certain conditions.

OPINION OF THE COUNCIL

The City Municipality may be permitted to raise a loan of Rs.20 lakhs and repay the loans taken from Government.

(Signed) Mirza M Ismail,
Dewan of Mysore

For Secretary
with compts
1 MS 20/11

For favour of kind note
& remember
1 S 9 a/s
Put up a draft
MS 20/11
22/11/36

EXTRACT

39

Chief Secretary to Government

WD 1471—GPB—2 000—1-3 21

Raising a loan of Rs 20 lakhs by the Bangalore city-etc

General and Revenue Secretariat (File No 782/15 of 1936-37) [App F III—2

Serial No

SECOND M
NO 3679

23 NO 1936

DEWA FFICE
26 NOV 1936
No 1597

to D 7 N Submd for approval
23/11/36

Ch Secy) 41) Revised & Subd
24/11/36

2nd member)

42 7 11 Signed by Member

CG 25/11

S N put up

43 Dewan) 25/11

44 26-11-36

WD 0417—CPB—30 000—8 9 36

File No of 193

General and Revenue Secretariat

Serial No

Final Note by the Second Member of Council

46

Subject —

Proposal of the Bangalore City Municipal Council to raise a debenture loan of Rs 20 lakhs on certain terms

A loan of Rs 10 lakhs in all has been sanctioned by Government to the Bangalore City Municipality in the marginally noted Government Orders for undertaking certain urgent improvement works in the City

No L 8683-4/M1 182-30-4 dated 24th April 1931,
No L 14-15/M1 250-32-5 dated 10th June 1933,

Out of this amount, the Municipality has drawn a sum of Rs 7½ lakhs and repaid a sum of Rs 80,000 towards the principal, leaving a balance of Rs 6,70,000 still due to Government The Municipality propose to repay this amount and also find funds for certain other urgent works by raising a debenture loan of Rs 20 lakhs in the open market, carrying interest at 3½ per cent repayable at the end of 20 years or earlier (as funds permit) the repayment of the loan being guaranteed by the Government The equated annual instalment for repaying the loan with interest in 20 years will be about Rs 1,41,000. The Municipal Council propose to find this sum by earmarking the sum of Rs 86,000 which they are now paying towards interest and sinking fund charges of the existing loan and the balance of Rs 55,000 by levying a tax on arts, professions, trades and callings, such amount as may fall short of this being met out of the normal revenues

In this connection, the Municipality requests that a sum of Rs 2,33,000, being a moiety of the amount already spent by them on certain drainage works, may now be recouped to them as a grant from Government (in accordance with certain terms that had been agreed to in Government Order No 1297-347/M1 112-14-13 dated 13th August 1915 in connection with improvement schemes that were then in contemplation), and that the balance repayable to Government under the loan account may be treated as reduced thereby from Rs 6,70,000 to Rs 4,37,000 The Municipality propose to pay back this amount out of the proceeds of the debenture loan of Rs 20 lakhs now proposed to be raised and to utilise the remaining sum of Rs 15,63,000 as detailed below ,-

(1) For works already undertaken out of loan funds which would have to be financed out of the loan sanctioned by Government,	Rs	3,00,000
(2) For extending the underground drainage and providing a sewage disposal plant,	"	7,50,000
(3) For improvement of water supply,	"	1,50,000
(4) For tarring of roads,	"	2,00,000
(5) For layout of extensions,	"	1,00,000
(6) For completion of the New Municipal Office Buildings,	"	63,000

The Director of Health also has furnished a statement of the drainage works to be carried out in the City, arranged in the order of urgency the total estimated cost ofwhich comes to Rs 21½ lakhs

Page 5b of file note

The Financial Secretary has pointed out that the proposal of the Municipality to get credit now from Government for a sum of Rs 2,33,000 in respect of the drainage works already executed is not admissible, as conditions have changed since 1915, and that the amount of grant to be given by Government for drainage work has to be fixed ever year with reference to the financial position at the time He is not in favour of allowing the Municipality to borrow such a large amount in the present state of their finances

In view of the several works of an urgent nature that have to be undertaken by the Municipality, it is considered desirable to permit the Council to raise a loan of Rs 20 lakhs as proposed by them They will, however, be told that no set off in the shape of a Government contribution can now be given towards drainage works already carried out They should repay out of the proceeds of the new loan, the entire amount outstanding against them on account of the loans previously granted by Government and utilise the balance for drainage, water supply and other works according to a revised programme that will be separately called for and examined

The subject was considered at the meeting of the Council held on the 19th November when the following resolution was recorded -

"The City Municipality may be permitted to raise a loan of Rs 20 lakhs and repay the loan taken from Government"

I solicit the gracious sanction of His Highness to the above proposals

N Madhava Rao
MEMBER OF COUNCIL

Bangalore,
25th November 1936

Submitted to His Highness

---

45 I submit herewith a Final Note by the Second Member of Council on the proposal of the Bangalore City Municipal Council to raise a debenture loan of Rs 20 lakhs on certain terms,

for His Highness gracious approval

Mirza M Ismail
Dewan
26 11 36

Record of Cases submitted for the Orders of
His Highness the Maharaja

Subject

47 Permission to the Bangalore City Municipal Council to raise a debenture loan of Rs 20 lakhs on certain terms

C Secy
MN
30 11 36
MS
1/12

124

Order

~~KRW~~
28/11/36

General and Revenue
Secretariat

C 86

SUBJECT – Permission to the Bangalore City Municipal Council to raise a debenture loan of Rs 20 lakhs on certain terms

( )

31 All g t fid t l fil t rn d w th H H gh ss d m y the b f t t d t t th t y b d ly l d t th M mb f C l f p l ft th f d

33 Th S t d h ld th t d th f d t b ss d t d th t th fil t d mm d t ly ft t th Ch f S t ry f l t t th M mb

34 I ll th th fil w ll fi st b l t d t th M mb f C l t H d q rt d th t t th S t t rn d f th f d

48 Circulated to Members of Council for perusal of His Highness orders before/~~after~~ issue of orders (*Vide Rules* 31 33 and 34 of the S bs d ary Rules for the conduct of business of Counc l in the M nual of Counc l Rules and Procedure)

Chief Secretary to Government

Th o gh the Secretary to Government

Department

49 FIRST MEMBER OF COUNCIL

1/12

50 SECOND MEMBER OF COUNCIL (Not in HQ Quarters)

L S G

2/12

8/12/36

NOTE —Contn sheet

Loan of Rs 20 lakhs by the Bangalore City Municipality

General and Revenue Secretariat | MR File No 105 — 782 — L of 1936 | [App F III—2

Serial No	
51	Draft g o is submitted for consideration. Rmr 4/12 fmd 52 Put up revised draft as mentioned please 4/12/36
53	Revised draft is submitted as directed Rmr 4/12/36 fmd 54 For approval 5/12/36 Ch Secy) 55 Please put up an alternative draft 5/12 5/12/36
56	An alternative draft is submitted as directed Rmr 7/12/36 fmd 57 A Draft D O to the Presdt, B C M C also submitted for approval 7/12/36 Ch Secy) 58 (1) Issue D O to the Presdt (2) The draft order to be submitted from Minister for approval 9/12 9/12/36

CHIEF PET ASST DEPT OF MYSORE

TYPING SECTION

To The President, City Municipal Council, Bangalore

D O No S 4193 dated 10-12-36

State that formal orders sanctioning the loan will issue shortly & requests that further action may be taken in the matter.

NOTE—Contn Sheet

WD 0417—GPB—30 000—8 9 36

File No

of 193

General and Revenue
Secretariat

Serial
No

DEWAN S OFFICE
10 DEC 1936
No 24 539

DEWAN S MINUTE 782 2627 GEN dt FCT 10 DEC 1936

FILE No 193 L&R

59 Why has an order G O granting the loan of Rs 20/- Lakh to the Bag Cty Municipality issued yet ?

MS
10-12-36

(Secy) Secy

60 The draft order is ready and will issue after perusal by Member meanwhile I have written demi officially to the President suggesting him to take necessary further action as the loan proposals have been sanctioned generally

MS
10/12
10/12/36

61 MS
10-12-36

MS
10/12
11/12/36

62 Submitted with reference to paras 58 (2) and 60 supra

RMM 9 PRR
11/12

Alternative draft G O submitted for approval

11/12/36

OFFICE OF
SECOND MEMBER EXECUTIVE COUNCIL
12 DEC 1936
No 3844 -

II Member)

TYPING SECTION
15 DEC 1936
GENL &

H-cell 1015

RMM
15/12/36

Issue

Financial sanction has been (Vide flag K)
draft order placed before Secy for perusal before communication

MS
15/12
To Secy

15/12/36

16/12
Communicated

Issued
MS
16/12

R
16/12

Serial No	
2	The Municipal Commr, Bangalore city Comptroller thro' the Fl Healt " Chief Engineer Director of Health Dy Commr, Bangalore Nr L 4400-4 dated 15-12-36 Sanctions the proposal of the Mcl to raise a debenture loan of Rs 20 lakhs on the terms proposed & requests the Mc Commr to submit draft debenture forms & prospectus for approval

B
24/12

WD 0417 GPB—30 000—8 9 36

File No of 193

General and Revenue Secretariat

Serial No

A1-27 360/3637

No Encl one Statt & Copy of Resolution

City Municipal Office

Bangalore, dated 12-8- 1936

782

From

M SESHADRI ESQ M A
Municipal Commissioner
Bangalore City

14 AUG 1936

17/8/36

To

B T Kesavaiengar, Esq , B A ,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore
Bangalore

Sir,

I have the honour to state that the Government were pleased in their orders Nos L 8683-4/M1 182-30-4 dated 24th April 1931 and L 14-15/M1 250-32-5 dated 10-6-1933 to sanction loans to the extent of 10 lakhs of Rupees for the following purposes

1	Tarring of road	Rs	3,00,000/-
2	Improvement of Water supply	"	2,50,000/-
3	Metering all house connections	"	1,50,000/-
4	Underground drainage scheme	"	2,00,000/-
5	Labour Colony	"	1,00,000/-
	Total Rs		10,00,000/-

2 The terms of the loan of Rs 10 lakhs referred to above are as follows -

(i) The loan of 1 lakh of rupees sanctioned in G O. No L 8683-4/M1 182-30-4 dated 24-4-1931 is repayable in 10 annual instalments and bears interest at 6 percent

(ii) The loan of 9 lakhs of rupees sanctioned in G O No L 14-15/M1 250-32-5 dated 10-6-1933 is repayable in 20 annual instalments and carries interest at 5 percent

A sum of Rs 7½ lakhs has so far been drawn by the municipality out of the sanctioned loan amount and a sum of

of Rs 80,000/- has been repaid towards principal up to the end of June 1936 The balance of loan outstanding against the Municipality is 6 lakhs and 70 thousand rupees

3 The Municipal Council propose to raise a loan of Rs 20 lakhs in open money market at 3½ percent interest per annum by the issue of debentures, if Government will be pleased to guarantee the repayment of this loan The first charge on this loan will be the repayment of the balance of the loan, due to Government from the Municipality

The underground drainage scheme of the City was started 3 years ago A sum of Rs 4,64,630/- has been spent, Rs 2,00,000/- out of the loan amount and the balance from the current revenues In their order No 1297-347/M1 112-14-13 dated 13-8-1915 Government were pleased to promise a contribution of one half of the cost of the drainage works if the Municipal Council arranged to bear the remainder In their orders sanctioning the estimates of under ground drainage works recently taken up by the Municipality they have observed that the Municipality has to finance these works in the first instance and that the Government would decide upon their contribution when their financial conditions improve According to the Government order referred to above the contribution due from Government to the Municipality towards the cost of the drainage works so far executed would amount to about Rs 233000/- This amount, instead of being paid to the Municipality in a lump or in instalments, may be set off against the balance of the loan due to Government After this adjustment the balance due to Government will be Rs 4,37,000/- This will be immediately repaid out of the 20 lakhs of Rupees

4 The balance that will be available is proposed to be utilized as follows.

(i) Rs 3,00,000/- for works already undertaken out of loan funds which would have been financed out of the loan - sanctioned by Government

[Page 3

(2) Rs 7,50,000/- on extending underground drainage and providing a sewage disposal plant

(3) Rs 1,50,000/- on improvement of water supply

(4) Rs 2,00,000/- on tarring the roads

(5) Rs 1,00,000/- on layout of extensions

(6) Rs 63,000/- on completing the New Municipal Office Buildings

The detailed statement of the works proposed to be undertaken under items 1,2 and 3 is appended It will be observed that all these works are of urgent character and cannot be postponed - in the interests of public health of the City

5 When the full loan now sanctioned by Government is drawn, the municipality will have to set apart a sum of Rs 86,000/- annually for repayment of principal and interest For repayment of the loan of 20 lakhs of Rupees at 3½ percent - interest, repayable in 20 years, the municipality will have to find a sum of Rs 1,40,720/- or Rs 1,41,000/- in round figures In other words, an extra sum of Rs 55,000/- will have to be provided in the budget every year This extra amount is proposed to be raised by levying a tax on arts,professions, trades, and callings The revenue from this source is expected to be - about Rs 50,000/- The balance of Rs 5,000/- can be met- paid out normal revenues The Municipal Council has agreed to the - raising of the loan and to the levy of a professional tax I am enclosing herewith a copy of the Council Resolution on the subject

6 I request the favour of your obtaining the early orders of Government on these proposals

I have the honour to be,
Sir,
Your most obedient servant

M Seshadri
MUNICIPAL COMMISSIONER

PSK

Forwarded with compliments

Honorary President

STATEMENT SHOWING THE DETAILS OF WORKS TO BE UNDERTAKEN UNDER ITEMS 1,2 AND 3 MENTIONED IN THE LETTER

Works already under taken out of loan funds sanctioned by Government

(i)	Improvement of water supply	
	(a) Independent main to Basavangudi	95,000/-
	(b) Providing water mains to the Thippasetty mutt Ramakrishnapuram and Sivananda Theatre extensions	33,000/-
	(c) Providing additional meteres	17,000/-
	Total Rs	1,45,000/-
(ii)	Underground drainage works	
	For completion of City main sewer and other old works in Balepet area	75,000/-
(iii)	Amount utilized for tarring of roads sanctioned under loans scheme out of normal revenues, before loan was sanctioned and now recouped for - construction of municipal offices	80,000/-
	Total	3,00,000/-

11

FRESH WORKS

Underground drainage works

1	Sub main sewer from Kempegowda Circle to the Main drain near the market	23,000/-
2	Street sewers leading sewage to the submain noted above	55,400/-
3	Submain and street sewers in the vally between Avenue road and Balepet	95,650/-
4	Drainage of Lalbagh area including the disposal of sewage of Basavangudi road side	40,000/-
5	Drainage of ramaining portions of 3rd, IVth and V Divisions	2, 00,000/-
6	Drainage of Chamarajapet and Guttahalli extensions	86,250/-
7	Disposal of Malleswarm sewage collected in Hanumanthapur burial ground	50,000/-
8.	Sewage disposal plant	2,00 ,000/-
	Total	7.50. 000/-

Water supply Distribution in the City and extensions

111	(1) Independent main to Basavangudi	40,700/-
	(2) Duplicate Main from combined Jewel filters to the lower low level Reservoir	55,427/-
	(3) Submains and taps to extensions	53,873/-
	Total Rs	1,50,000/-

PSK

Municipal Commissioner.

Proceedings of the Special General meeting of the City Municip Council, Bangalore, held on Wednesday the 10th June 1936 at 4 P M in the Council Chamber of the City Municipal Office, Bangalore

---

P r e s e n t

Rao Bahadur B K Garudachar

Honorary President

Councillors -

1	Mr	R Venkataswamy	10	Mr	C Hayavadana Rao
2	"	W H Hanumanthappa	11	"	L P Somasekhara Rao
3	"	K T Bhashyam Iyengar	12	"	T S Raghava Char
4	"	Ramalal Thiwari	13	"	M Chinnaswamy
5	"	B S Shankarappa Setty	14		B Abdur Rahmon
6	"	V B L Narayan	15	"	Azizuddin Mehkri
7		D Venkataramanappa	16	"	J R Isaac
8	"	M Muniswamappa			
9		B L Byanna			

A b s e n t

1	Mr	B Kempanna	8	Mr	S Sitharamiah
2	"	S V Srinivasa Setty	9	"	S V Venkataranga Iyengar
3	"	Y S Kamakshiah Setty.	10	"	P Subbarama Chetty
4	"	Y H Venkataramanappa	11	"	C S Nasarulla Sheriff
5	"	H Srinivasa murthy	12	"	S N M Razvi
6	"	C N Narasinga Rao	13	"	S Yellappa
7	"	C L Garudachar			

The following is the gist of the observations made by the Municipal Councillors on the budget for 1936-37

* * * *

The following resolutions were then unanimously adopted -

(1) Resolved that the Council raise a debenture loan of ---- R 20 lakhs at not more than 3½ per cent per annum repayable in 30 years with a view to pay off the old loans and carry out necessa ry improvement works

* * * *

(4) Resolved that with a view to augment the income of the Municipality a profession tax as suggested by the Commissioner be levied, particularly since it affects only the richer classes and will enable the Municipality to provide amenities to the poorer

poorer classes of rate-payers

* * *

Sd B K Garudachar
Honorary President

" Extract""

Municipal Commissioner

L M)

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated Bangalore 2nd October 193 6

No L 2522

From

The *Chief Secretary to the Government of His Highness the Maharaja of Mysore*

To

The Director of Health in Mysore,
Bangalore

Sir,

I am directed to request you to be so good as to submit a list of the Bangalore City Drainage Works (with estimated cost) arranged in the order of urgency

This may kindly be treated as urgent

I have the honor to be
Sir
Your most obedient servant

for Chief Secretary to Government

Als 2

Appe}dix F G—1]

SUBJECT

Diary No of letter replied to

General and Revenue Secretariat

( )

the *193*

Date of issue 2-10-36

Signed by

List of enclosures

Copied by

Examined by

Section

File No

Serial No

No L 2522

To

The Director of Health in Mysore

Bangalore

Sir,

I am directed to request you to be so good as to submit a list of the Bangalore City Drainage works (with estimated cost) arranged in the order of urgency.

This may kindly be treated as urgent

I have etc

2/10/36

for Chief Secy to Govt

Rmr

WD 03601—GPB—30 000—23 9-35

GOVERNMENT OF MYSORE

DEPARTMENT OF HEALTH

MATHY L.M.S. B.Sc
L.M.P.S. & D.T.M. D.P.H.
Director of Health.

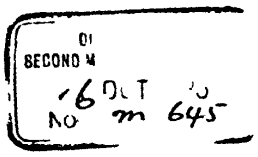
Telephone No. 340
Telegram HEALTH

GRACE VILLE PALACE ROAD

Bangalore (S India) dated Oct.25 1936

D.O. No C 24

Encl plan Report & Estimate



Dear Sir,

I am enclosing herewith a statement of underground drainage works to be done in Bangalore in the order of urgency together with plan and report as desired

Yours sincerely,

V Sankaranarayana

N Madhava Rao, Esq ,B A ,B L ,
Second Member of Council,
Mysore Government, Bangalore

To the above say with Compliments. The map is being worked out & Remarks with the question of the loan & the report by the Municipal Council may 26/10/36

1 5 9
Early
PHV
26/10

Report

The accompanying statement of underground drainage works to be done in Bangalore City is prepared in the order of urgency

Item Nos 1 2 & 3 - Major portion of the work in this area is done two years back The remaining portions are to be done for the efficiency of the underground drainage system A partial sewering of houses in this area would mean inefficient flow and as such the collection of solid matter all along which will in effect convert the line into a contiruous cess pool Hence there is the urgency

Item No 4 - Sewage disposal works - Now a few submain sewers, street sewers and some house connections are worked in the City proper, the main sewer is taken on very near Lalbagh Road and will in a few months be taken up to Sunkal Farm Even though several parts of the City are not sewered, all the out falls which used to empty themselves into the flood water open drain are now connected on to the underground main sewer from the Market Square onwards On this account all the sewage flow which was being absorbed and used up for gardening on both sides of the flood water drain is now carried on and untapped and discharged freely into the valley at the head of the Sunkal Farm abutting the Cantonment limits This concentrated discharge is therefore sure to cause nuisance to the Cantonment area Hence the urgency to deal with the sewage by proper disposal works is felt

All the remaining items are in theorder of urgency, taking into consideration the nature of congestion in the locality proposed

The

The last item is intended for providing for pumping units to pump up the sewage from the isolated localities such as Malleswaram outfall, Chamarajapet outfall part of Basavanguli etc , to the main outfall sewer with necessary rising mains

22-12-36

SANITARY ENGINEER

D O No 4193 Dy 15th Dec 1936

To

The Rao Bahadur
B K Gamsachar Esq
President
~~The Municipal Council~~

Bangalore city Municipal Council
Bangalore

Dear Sir,

I am desired to State that Govt have approved of the proposal of the Municipal Council to raise a debenture loan of Rs 20 lakhs by the Municipality on the terms proposed, Excheq- ~~subject~~ regret as regards the ~~to the condition that~~ one half of to the extent of Rs 2,33,000 as Govt contribution towards the drainage works which can already be launched ~~executed until be given~~

Formal orders will issue in matter shortly

I am to request Mah ~~You~~ ~~take~~ necessary further action may be taken in the matter

Yours &c
MS
7/1

7/12/36

8 copies

Proceedings of the Govt of H H the Maharaja of Mysore

Read -

1) G.O No L 8683-4/ME 182-30- dated 24-4-1931 sanctioning the grant from State funds of a loan of Rs 1 lakh to the Bangalore city Municipality for tarring roads in the City subject to certain conditions

2) G.O No L 14-15/ME 250-32 dated 10-6-1933 sanctioning subject to certain condition the grant of a further loan of Rs 9 lakhs to the Banga city Municipality for carrying out certain improvement wks in the City

3) Letter No A1-27-360/36 dated 12-8-1936 from the Municipal Commissioner Bangalore city submitting sanction the proposals of Municipal Council to ra

a debenture loan of Rs 20 lakhs
with a view to pay off the
existing loans and to carry
out necessary urgent improvement
works in the City
Order No L 4400-4/ Ml 105-36-2

A loan of Rs 10 lakhs in all
has been sanctioned by Govt to
the Bangalore City Municipality
in the G Os read above for undertaking
certain urgent improvement works
in the City Out of this amount
the Municipality has so far drawn
only a sum of Rs 7½ lakhs and
repaid a sum of Rs 80,000 towards
the principal up to the end of June 1936,
leaving a balance of Rs 6,70,000
still due to Govt The Municipal
Commissioner states that the
Municipality proposes to repay
this amount and also find
funds for certain other urgent
works by raising a debenture
loan of Rs 20 lakhs in the
open market, carrying interest
at 3½ per cent repayable

at the end of 20 years or earlier (as funds permit), the repayment of the loan being guaranteed by Govt

In this connection the Municipal Council request that a sum of Rs 2,33,000 being a moiety of the amount already spent by them ~~Municipality~~ ~~[illegible]~~ on certain drainage work may now be recouped to ~~them~~ as a grant from Govt (in accordance with certain terms that had been agreed to in Govt Order No 1297-347/ME 112-14-13 dated 13-8-19 in connection with improvement schemes that were then contemplation), and that balance repayable to Govt under the loan account therefore be reduced from Rs 6,70,000 to Rs 4,37,000

The ~~Municipality~~ Municipal Council propose to pay back this amount

proceeds of the debenture
a, um of Rs 20 lakhs now proposed
to be raised and to utilise
the remaining sum of Rs 15,63,000
as detailed below

		Rs
(1)	For works already undertaken out of loan funds which would have to be financed out of the loan sanctioned by Govt	3,00,000
(2)	For extending the underground drainage and providing a sewage disposal plant	7,50,000
(3)	For improvement of water supply	1,50,000
(4)	For tarring roads	2,00,000
(5)	For layout of extensions	1,00,000
(6)	For completion of the New Municipal office Buildings	63,000

Govt observe that the
proposal of the Municipality to
get credit now from Govt for
a sum of Rs 2,33,000 in
respect of the drainage works
already executed is not admissible,
as conditions have changed
since 1915, ~~and that~~ The amount
of grant to be given by Govt
for drainage works has to
be fixed every year with

reference to the financial
position at the time as per
statement No L 4992-7/ME 23-31-37
dated 26-1-1935 The request of
the Municipal Council cannot
therefore be complied with

The equated annual
instalment for repaying the
loan with interest in
20 years works out to about Rs
1,41,000 The Municipal Council
propose to find this sum
by earmarking the sum of
Rs 86,000 which they are
now paying towards interest
and sinking fund charge
of the existing loan of
the balance of Rs 55,000
levying a tax on arts,
professions, trades and
callings, - such amount as
may fall short of this
met out of the normal
revenues

a

In view of the several works
of an urgent nature that
have to be undertaken by
the Municipality, Govt are
pleased to permit the
Bangalore City Municipal
Council to raise a loan of
Rs 20 lakhs by issuing debentures
carrying interest at 3½ per
cent per annum repayable
in 20 years the repayment
of the loan being guaranteed
by Govt The Municipal
Council should repay out
of the proceeds of the new loan,
the entire amount outstanding on the date of repayment
against them on account of
the loans granted by Govt
as detailed in the Govt read
above ~~and attached~~ The balance will be utilised
for drainage, water supply
and such ~~other~~ other works
as are thereafter sanctioned

by Govt

The Municipal Commr is requested to submit a detailed revised programme of works for the approval of Govt, the drainage works being taken up first in the order of their urgency

Draft forms of the prospectus and the debentures to be issued should be submitted to Govt very early for approval

7/12/36 Chief Secy to Govt

To

The M.C. Commr, Bangalore city
(through the President)

Comptroller to Govt thro' the F.C. Secty

Chief Engineer

Director of Health

Dy Commr, Bangalore Dt